

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo #01-01

To: Benefits Administrators
From: Charles S. Reed, Associate Director
CC: All OHB
Date: February 6, 2001
Re: Return to Open Enrollment for Health Benefits Program

The current Floating Enrollment option will be replaced with an annual Open Enrollment for the plan year beginning July 1, 2001. Open Enrollment for colleges and universities will be held April 1 – May 1, and all other state employees will participate in Open Enrollment from May 1 -- 31. During the period of Open Enrollment, employees may make plan or membership changes that will become effective July 1, 2001. However, participants in Premium Conversion may not waive coverage.

Annual Enrollment for the Flexible Benefits Program will continue to take place in November. The last opportunity to exercise a Floating Enrollment will be May 15 for an effective date of June 1, 2001.

Returning to Open Enrollment

- Three years ago, Floating Enrollment was offered to state employees to allow more flexibility in making plan changes throughout the year. Recent Internal Revenue Service (IRS) regulations provide similar advantages for making changes outside of an annual open enrollment period.
- The new rules for making mid-year changes serve the same purpose as Floating Enrollment. They provide an umbrella large enough to cover qualifying status changes and include the new cost and coverage changes (see attached). There will be one period during each year for Open Enrollment. Changes during the year must be based on qualifying status changes or cost and coverage changes.

Phasing Out Floating Enrollment

- All employees are eligible this spring to make an Open Enrollment election for July 1, regardless of whether they have exercised a Floating Enrollment during the past 12 months. The last day for exercising a Floating Enrollment will be May 15, 2001, for an effective date of June 1, 2001.
- Instructions and timetables for data entry in BES will be provided to all Benefits Administrators for the spring Open Enrollment period. The reason code for Floating Enrollment will remain in effect through May 15.

Communication to Benefits Administrators

We plan to communicate often with Benefits Administrators concerning all aspects of Open Enrollment. As the 30-day window for Open Enrollment approaches, you will have all the information you need to inform and assist employees. Current plans include a Power Point presentation on Open Enrollment, at least one poster, several fliers, a Q&A, and additional B.A. Memos. Statewide meetings for Benefits Administrators and employees will be scheduled, and we will let you know the dates as soon as they are available. In addition, Benefits Administrators will receive regular updates (called "B.A. Ticklers" or "BATs") once a week by e-mail and once every two or three weeks by standard mail. The first BAT is attached.

Communication to Employees

Please begin communicating immediately to all employees the return of Open Enrollment and the phasing out of Floating Enrollment. Materials on the Open Enrollment process and employee options for the July 1 plan year are being developed for publication and distribution in March, including the Spotlight newsletter. Current plans call for articles in Commonwealth Currents and an updated section on the DHRM health benefits web page.

Thanks for your assistance as we work together as partners to make the new Open Enrollment process a success.

Enclosures:

Chart of Mid-Year Election Changes Effective July 1, 2001
Benefits Administrator Tickler #1